

ORTIZ & ORTIZ, L.L.P.
35-10 Broadway, Ste. 202
Astoria, New York 11106
Tel. (718) 522-1117
Fax (718) 596-1302
email@ortizandortiz.com
Proposed Counsel to the Debtor

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X

In re

127 WESTCHESTER SQ LLC,

Case No. 21-10503-scc

Debtor.

Chapter 11

-----X

DECLARATION PURSUANT TO LOCAL RULE 1007-2

Javiel Rodriguez, president of the above-captioned debtor in possession (the “Debtor”),
hereby swears as follows:

1. Describe the nature of the business and the circumstances leading to the debtor’s
filing under chapter 11: The Debtor operates a restaurant located in Bronx County, New York.
It ceased operating during the COVID-19 business shutdown but recently resumed operations.
The bankruptcy filing was precipitated by the collection efforts of creditors and the accumulation
of debt while the business was not operating.

2. If the case originally was commenced under chapter 7 or chapter 13, the name and
address of any trustee appointed in the case and, in a case originally commenced under chapter 7,
the names and addresses of the members of any creditors' committee: No prior bankruptcy case
was filed by the Debtor.

3. State the names and addresses of the members of, and attorneys for, any committee organized prior to the order for relief in the chapter 11 case, and a brief description of the circumstances surrounding the formation of the committee and the date of its formation: No committee was formed prior to the bankruptcy filing.

4. List the names, addresses, telephone numbers, person(s) familiar with the debtor's account, amount of the claim, and whether the claim is contingent, unliquidated, disputed, or partially secured of the Debtor's 20 largest non-insider unsecured creditors: See list annexed as Exhibit A.

5. List the names, addresses, telephone numbers, person(s) familiar with the Debtor's account, amount of the claim, and whether the claim is contingent, unliquidated, disputed, or partially secured of the debtor's 5 largest secured creditors: See list annexed as Exhibit A.

6. Provide a summary of the Debtor's assets and liabilities: See list annexed as Exhibit A.

7. Provide the number and classes of shares of stock, debentures, or other securities of the Debtor that are publicly held, and the number of record holders thereof, listing separately those held by each of the debtor's officers and directors and the amounts so held: There are no such securities.

8. List of all of the debtor's property in the possession or custody of any custodian, public officer, mortgagee, pledgee, assignee of rents, or secured creditor, or agent for any such entity, giving the name, address, and telephone number of each such entity, the title of any

proceeding relating thereto, and the court in which it is pending: Approximately \$3,000 was seized from a bank account by N.Y.S. Dept. of Taxation prior to the bankruptcy filing.

9. Provide a list of the premises owned, leased, or held under any other arrangement from which the Debtor operates its business: The Debtor operates its restaurant under a lease from the premises known as 127 Westchester Square, Bronx, New York.

10. Describe the location of the debtor's significant assets, the location of its books and records, and the nature, location, and value of any assets held by the Debtor outside the territorial limits of the United States: The Debtor's books and records are located with Diego Toana, the Debtor's accountant, in Bronx County. The Debtor's assets are located in Bronx County. The Debtor does not own any assets outside of the United States.

11. Describe the nature and present status of each action or proceeding, pending or threatened, against the debtor or its property where a judgment against the debtor or a seizure of its property may be imminent: There is an action by the Labor Department pending on behalf of an employee and there is an collection action pending against the Debtor entitled Sethi et al v. Olavarria, et al, under Index No. 601188/2021, in Nassau County.

12. List the names of the Debtor's existing senior management, their tenure with the Debtor, and a summary of their relevant responsibilities and experience: Julio Diaz is the general manager of the restaurant; Javiel Rodriguez is the Debtor's president and oversees operations; and Adam Torres is the publicist and marketing manager of the Debtor.

13. List the estimated amount of the weekly payroll to employees (exclusive of

officers, directors, stockholders, partners and members) for the 30-day period following the filing of the chapter 11 petition: The Debtor's average weekly payroll, at this time, is approximately \$6,200.00.

14. List the amount to be paid for services in the (30) day period following the filing of the chapter 11 petition, to (A) officers, stockholders, and directors of corporate debtors, (B) individual debtors, (C) partners of partnership debtors, and (D) financial or business consultants retained by the debtor: The Debtor does not, at this time, intend to make such payments.

15. Provide a schedule, for the thirty (30) day period following the filing of the chapter 11 petition, of estimated cash receipts and disbursements, net cash gain or loss, obligations and receivables expected to accrue but remain unpaid, other than professional fees, and any other information relevant to an understanding of the foregoing: See list annexed as Exhibit A.

I hereby declare that the foregoing is accurate and true to the best of my knowledge and belief.

Dated: March 18, 2021
Queens, New York

S/Javier Rodriguez
Javier Rodriguez, President

Exhibit A

Persons Familiar with Debtor's Non-Insider Unsecured Claims

(List the names, addresses, telephone numbers, person(s) familiar with the debtor's account, amount of the claim, and whether the claim is contingent, unliquidated, disputed, or partially secured of the Debtor's 20 largest non-insider unsecured creditors.)

| Creditor | Contact Information | Amount of Claim | Status of Claims |
|--|----------------------------|------------------------|-------------------------|
| Please see Attached List of the 20 Largest Unsecured Creditors | | | |

Persons Familiar with Debtor's Secured Claims

(List the names, addresses, telephone numbers, person(s) familiar with the Debtor's account, amount of the claim, and whether the claim is contingent, unliquidated, disputed, or partially secured of the debtor's 5 largest secured creditors.)

| Creditor | Contact Information | Amount of Claim | Status of Claims |
|---------------------|--|------------------------|---|
| Ramji Sethi | Pankaj Malik, Esq. Warshaw Bernstein 575 Lexington Ave, 7 th Flr. New York, New York 10022 | \$400,000 | Disputed and the subject of litigation in state court |
| Vend Lease Co. Inc. | 8100 Sandpiper Circle, Ste. 300 Baltimore, MD 21236 | Unknown | This creditor filed a UCC-1. The Debtor is reviewing its books to determine the status of this claim. |

Summary of Assets and Liabilities

| | |
|----------------------------------|---|
| Real Property | None |
| Personal Property | Cash, if any, in Chase Checking of approximately \$71,000.00. Contents of restaurant, including furniture, fixtures, and equipment. The value of these assets are unknown. Commercial lease for the restaurant (value unknown). |
| Secured and Priority Debt | Approximately \$280,000 in federal and state taxes. Approximately \$400,000 in secured debt. |
| Unsecured Debt | Approximately \$360,000 in unsecured debt. |

Estimated Thirty (30) Cash Receipts and Disbursements

(Provide a schedule, for the thirty (30) day period following the filing of the chapter 11 petition, of estimated cash receipts and disbursements, net cash gain or loss, obligations and receivables expected to accrue but remain unpaid, other than professional fees, and any other information relevant to an understanding of the foregoing)

| Income | | Expenses | |
|---------------|------------------|-------------------------|---------------|
| <i>Source</i> | <i>Amount</i> | <i>Type</i> | <i>Amount</i> |
| Sales | Approx. \$80,000 | Taxes | TBD |
| | | Professional Fees | TBD |
| | | Rent | \$8,000.00 |
| | | Payroll | \$24,800.00 |
| | | Utilities | \$4,500.00 |
| | | Cost of Food and Liquor | \$20,000.00 |
| | | Garbage removal | \$690.00 |
| | | Insurance | \$1,000.00 |
| | | ADT | \$260.00 |
| | | Exterminator | \$328.00 |
| | | Bookkeeper | \$1,200.00 |

| | | | |
|--|--|--------------------|-------------|
| | | Internet and Phone | \$600.00 |
| | | Linens | \$1,200.00 |
| | | Marketing | \$5,000.00 |
| | | Total: | \$67,578.00 |
| | | | |

Fill in this information to identify the case:

Debtor name 127 Westchester SQ Restaurant LLC D.B.A Shanghai Red

United States Bankruptcy Court for the: Southern District of New York

Case number (If known): 21-10503

☐ Check if this is an amended filing

Official Form 204

Chapter 11 or Chapter 9 Cases: List of Creditors Who Have the 20 Largest Unsecured Claims and Are Not Insiders

12/15

A list of creditors holding the 20 largest unsecured claims must be filed in a Chapter 11 or Chapter 9 case. Include claims which the debtor disputes. Do not include claims by any person or entity who is an *insider*, as defined in 11 U.S.C. § 101(31). Also, do not include claims by secured creditors, unless the unsecured claim resulting from inadequate collateral value places the creditor among the holders of the 20 largest unsecured claims.

| | Name of creditor and complete mailing address, including zip code | Name, telephone number, and email address of creditor contact | Nature of the claim (for example, trade debts, bank loans, professional services, and government contracts) | Indicate if claim is contingent, unliquidated, or disputed | Amount of unsecured claim If the claim is fully unsecured, fill in only unsecured claim amount. If claim is partially secured, fill in total claim amount and deduction for value of collateral or setoff to calculate unsecured claim. | | |
|---|---|---|---|--|--|---|-----------------|
| | | | | | Total claim, if partially secured | Deduction for value of collateral or setoff | Unsecured claim |
| 1 | Dorado Realty LLC 2123 Williamsbridge Road 2nd floor Bronx, NY, 10461 | | | | | | 124,352.83 |
| 2 | ATC Brand Management 25 Rober Pitt Drive, Suite 204 Monsey, NY, 10952 | | | | | | 88,595.24 |
| 3 | Con Edison JAF Station P.O. Box 1702 New York, NY, 10116-1702 | | | | | | 43,954.54 |
| 4 | Empire Merchants LLC 16 Bridgewater St Brooklyn, NY, 11222 | | | | | | 21,617.25 |
| 5 | New York State Department of Labor Division of Labor Standards 120 Bloomingdale Road White Plains, NY, 10605 | | | | | | 15,727.81 |
| 6 | TD Bank 5 Commerce Park N Bedford, NH, 03110 | | | | | | 10,718.18 |
| 7 | JD Meat Market 1411 Ogden Ave Bronx, NY, 10452 | | | | | | 7,288.81 |
| 8 | Royal Warewashing PO Box 5503 Astoria, NY, 11105 | | | | | | 4,818.37 |

Debtor 127 Westchester SQ Restaurant LLC D.B.A Shanghai Red
Name

Case number (if known) 21-10503

| | Name of creditor and complete mailing address, including zip code | Name, telephone number, and email address of creditor contact | Nature of the claim (for example, trade debts, bank loans, professional services, and government contracts) | Indicate if claim is contingent, unliquidated, or disputed | Amount of unsecured claim If the claim is fully unsecured, fill in only unsecured claim amount. If claim is partially secured, fill in total claim amount and deduction for value of collateral or setoff to calculate unsecured claim. | | |
|----|---|---|---|--|--|---|-----------------|
| | | | | | Total claim, if partially secured | Deduction for value of collateral or setoff | Unsecured claim |
| 9 | Sysco Metro New York, LLC 20 Theodore Conrad Drive Jersey City, NJ, 07305 | | | | | | 4,408.15 |
| 10 | Galant Graphics 2020 Webster Ave Bronx, NY, 10457 | | | | | | 4,212.25 |
| 11 | Monarch Seafood 314 West 1st Avenue Roselle, NJ, 07203 | | | | | | 4,016.95 |
| 12 | Home Depot PO Box 9001010 Louisville, KY, 40290 | | | | | | 3,513.78 |
| 13 | Riviera Produce Box/Call 6065 Englewood, NJ, 07631 | | | | | | 3,153.65 |
| 14 | The Hartford One Hartford Plaza Hartford Hartford, CT, 06155 | | | | | | 2,214.84 |
| 15 | Action Environmental Services 300 Frank W Burr Boulevard Suite 39 Teaneck, NJ, 07666 | | | | | | 2,070.52 |
| 16 | W.B Mason Co., Inc. 59 Centre St Brockton, MA, 02301 | | | | | | 1,868.78 |
| 17 | Am Trust Insurance Company of Kansas, Inc. PO Box 6939 Cleveland, OH, 44101 | | | | | | 1,517.00 |
| 18 | Optimum 1 Court Square West Long Island City, NY, 11101 | | | | | | 1,178.91 |
| 19 | ATAX Westchester Square Attn: Diego R Toasa 142 Williamsbridge Road Bronx, NY, 10461 | | | | | | 1,150.00 |
| 20 | A & A Gourmet 53-42 98th Street Corona, NY, 11368 | | | | | | 1,044.45 |

CERTIFICATE OF CORPORATE RESOLUTION OF

127 Westchester SQ LLC

The undersigned, President of 127 Westchester SQ LLC (the "President"), a New York limited liability corporation (the "Company"), hereby certifies as follows:

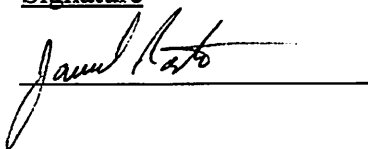
1. The following resolution was duly and unanimously adopted by a majority of the directors of the Company at a meeting duly called and held on 3/17/21, at which a quorum of the directors was present and acting throughout the meeting, and said resolutions have not been amended and are in full force and effect:

RESOLVED, that it is in the best judgment of the Board Of Directors that the Company commence a voluntary chapter 11 proceeding for reorganize its business and economic affairs. It is further

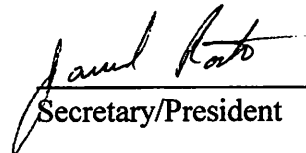
RESOLVED, that the Company is authorized to open a debtor in possession bank account and take all other steps necessary to ensure that it fully complies with applicable state and federal in connection with its bankruptcy case. It is further

RESOLVED, that the Company is authorized to retain Ortiz & Ortiz LLP as its bankruptcy counsel, and retain any other professionals necessary to prosecute its bankruptcy case.

2. Appearing below are the names of the persons authorized by the foregoing resolution to act on behalf of the Company, and appearing opposite their names are their positions and specimens of their true and correct signatures:

| <u>Name</u> | <u>Position</u> | <u>Signature</u> |
|------------------|-----------------|--|
| Javiel Rodriguez | Officer |  |

IN WITNESS WHEREOF, I have executed this certificate on the 17th day of March 2021. I swear that the foregoing is accurate and true.


Secretary/President

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X

In re

127 WESTCHESTER SQ LLC,

Case No.

Debtor.

Chapter 11

-----X

**CORPORATE OWNERSHIP STATEMENT PURSUANT TO FED. R. BANKR. P.
1007(a)(1) AND 7007.1 AND LOCAL BANKR. RULE 1007-3**

Pursuant Fed. R. Bankr. Proc. 1007(a)(1) and 7007.1 and Local Bankr. Rule 1007-3,
127 Westchester Sq LLC, as debtor and debtor in possession in the above captioned chapter 11
cases (the “Debtor”), respectfully represents:

The undersigned, being an officer and shareholder of the Debtor, hereby states that there
are no entities that directly or indirectly own 10% or more of any class of the debtor’s equity
interest.

Dated: March 17, 2021
Queens, New York

Javiel Rodriguez, Officer

Debtor Name: 127 WESTCHESTER SQ LLC,
U.S. Bankruptcy Court for the Southern District of New York
Case Number:

Official Form 202

Declaration Under Penalty of Perjury for Non-Individual Debtors 12/15

An individual who is authorized to act on behalf of a non-individual debtor, such as a corporation or partnership, must sign and submit this form for the schedules of assets and liabilities, any other document that requires a declaration that is not included in the document, and any amendments of those documents. This form must state the individual's position or relationship to the debtor, the identity of the document, and the date. Bankruptcy Rules 1008 and 9011.

WARNING -- Bankruptcy fraud is a serious crime. Making a false statement, concealing property, or obtaining money or property by fraud in connection with a bankruptcy case can result in fines up to \$500,000 or imprisonment for up to 20 years, or both. 18 U.S.C. §§ 152, 1341, 1519, and 3571.

Declaration and signature

I am the president, another officer, or an authorized agent of the corporation; a member or an authorized agent of the partnership; or another individual serving as a representative of the debtor in this case.

I have examined the information in the documents checked below and I have a reasonable belief that the information is true and correct:

- ☐ Schedule A/B: Assets—Real and Personal Property (Official Form 206A/B)
- ☐ Schedule D: Creditors Who Have Claims Secured by Property (Official Form 206D)
- ☐ Schedule E/F: Creditors Who Have Unsecured Claims (Official Form 206E/F)
- ☐ Schedule G: Executory Contracts and Unexpired Leases (Official Form 206G)
- ☐ Schedule H: Codebtors (Official Form 206H)
- ☐ Summary of Assets and Liabilities for Non-Individuals (Official Form 206Sum)
- ☐ Amended Schedule _____
- ☐ Chapter 11 or Chapter 9 Cases: Consolidated List of Creditors Who Have the 30 Largest Unsecured Claims and Are Not Insiders (Official Form 204)
- ☐ Other document that requires a declaration: Corporate Ownership Statement

I declare under penalty of perjury that the foregoing is true and correct.

Executed on: May 30, 2021

Javier Rodriguez, Officer

Authorized Person/Officer
Position or relationship to debtor